

June 14, 2012

Via electronic mail
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Rick Sullivan, Secretary
Executive Office of Energy &
Environmental Affairs
100 Cambridge Street
Boston, MA 02108

Mark Sylvia, Commissioner
Department of Energy Resources
100 Cambridge Street
Boston, MA 02108

**Re: Proposed Final Regulations Governing Eligibility of Biomass under the MA
RPS** 225 CMR 14.00 et seq. (released April 27, 2012)

Dear Secretary Sullivan and Commissioner Sylvia:

We are writing on behalf of Environmental Entrepreneurs (E2) (www.e2.org), a national organization of over 850 prominent business leaders -- 85 of them with businesses in Massachusetts -- in support of the Proposed Final Regulations governing biomass eligibility. We believe these regulations strike a proper balance between encouraging responsible investment in biomass while following the scientific evidence that burning whole trees to produce electricity will create more carbon pollution than fossil fuels.

E2 and its members, who come from a wide range of business backgrounds, are widely recognized as a resource for understanding the business perspective on environmental issues. As a group of entrepreneurs, investors and professionals, we have started well over 1,400 businesses, which in turn have created over 500,000 jobs and manage over \$90 billion of venture capital and private equity. Our members have created dozens of companies in Massachusetts that employ thousands of workers.

The regulations would send the right market signals to investors

The draft would regulations send the correct market signals to investors, since they are consistent with scientific findings that different forms of biomass fuels have different climate impacts and need to be accounted for accordingly. As you know, the new rules require that biomass plants rely predominantly on "timber harvest residues" (tops and branches) rather than whole trees and demonstrate emissions reductions of at least 50 percent over 20 years as compared to natural gas. As with other standards that have spurred innovation, we believe these rules can promote investment in newer, more efficient forms of biomass electricity generation.

Allowing all forms of biomass, including whole trees would encourage unwarranted and overly optimistic levels of investment in a technology that is unsustainable and contributes to greenhouse gas pollution. Such investments would lead to financial uncertainty and potential lost opportunities for investment in cleaner technologies.

A robust RPS is important to the economy of the Commonwealth

It is critical to ensure that RPS investments are directed towards technologies and industries that will prosper in a carbon constrained world. Reliance on older inefficient technologies would thwart innovation and investment in newer more sustainable technologies.

These regulations contribute to a strong RPS, which will stabilize energy prices and address climate change while promoting investments in clean energy.

The regulations will help the Commonwealth meet its carbon reduction targets

As you know, the Massachusetts Global Warming Solutions Act established a goal of reducing greenhouse gas emissions 25 percent below 1990 levels by 2020, and 80 percent below by 2050. Allowing all forms of biomass under the RPS would have a negative impact on meeting these goals since burning biomass for electricity emits more CO2 than fossil fuels per unit of electricity produced. It makes no sense to reward inefficient biomass plants with ratepayer incentives.

Overall, we believe that from a business perspective these regulations will have a positive impact on the state's clean energy economy.

Thank you for the opportunity to submit these comments. For further information please contact Berl Hartman at 617 497-0393 or via email at berl@berlhartman.com.

Sincerely,

E2 New England Directors

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